

# Fiscal Note & Local Impact Statement

124<sup>th</sup> General Assembly of Ohio

Ohio Legislative Service Commission  
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BILL: **H.B. 81** DATE: **February 20, 2001**

STATUS: **As Introduced** SPONSOR: **Rep. Callender**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**

CONTENTS: **Create Rock and Roll Hall of Fame license plates**

## State Fiscal Highlights

STATE FUND	FY 2001	FY 2002	FUTURE YEARS
<b>State Highway Safety Fund</b>			
Revenues	Potential gain	Potential gain	Potential gain
Expenditures	Potential increase	Potential increase	Potential increase
<b>Rock and Roll Hall of Fame License Plate Fund</b>			
Revenues	Gain depending upon sales	Gain depending upon sales	Gain depending upon sales
Expenditures	Increase depending upon sales	Increase depending upon sales	Increase depending upon sales

Note: The state fiscal year is July 1 through June 30. For example, FY 2002 is July 1, 2001 – June 30, 2002.

- House Bill 81 provides for the issuance of Rock and Roll Hall of Fame license plates that would be available for a \$15 contribution, \$10 to the State Highway Safety Fund, the \$20 state motor vehicle license tax, plus any required local motor vehicle license taxes (ranging from \$5-\$20). The \$15 contribution fee would be deposited into the newly created Rock and Roll Hall of Fame License Plate Fund.
- Under current law, non-standard license plates must have sales of at least 1,000 annually (including newly issued plates and/or renewals). If they do not, the Registrar will contact the sponsor or, if no sponsor exists, will issue a public notice to the effect that the plate will be terminated by the Registrar if sales of less than 1,000 occur by the end of the calendar year that the notice is sent.

## Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2001	FY 2002	FUTURE YEARS
<b>Counties, Municipalities, and Townships</b>			
Revenues	Potential minimal loss	Potential minimal loss	Potential minimal loss
Expenditures	- 0 -	- 0 -	- 0 -

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- Potentially increasing the costs for the BMV may impact total funds available for local governments. If enactment of HB 81 results in additional costs to the BMV, it is possible political subdivisions may receive a lower amount of funds from the Department of Public Safety when monthly redistributions of revenues occur. However, the impacts are estimated to be minimal, if they were to occur.

## Detailed Fiscal Analysis

### HOUSE BILL 81:

House Bill 81 provides for the issuance of Rock and Roll Hall of Fame license plates. The plates would be available for a \$15 contribution, \$10 to the State Highway Safety Fund, the \$20 state motor vehicle license tax, plus any required local motor vehicle license taxes (ranging from \$5-\$20). The \$15 contribution fee would be deposited into the newly created Rock and Roll Hall of Fame License Plate Fund.

The bill mentions providing \$10 "for the purpose of compensating the Bureau of Motor Vehicles for additional services required in issuing license plates." However, it allocates the funds to the State Highway Safety Fund that contains several different line items within it. As a result, it is

unclear whether or not the BMV will receive the intended \$10 per plate compensation.

The contributions received by the fund would be paid to the Rock and Roll Hall of Fame and Museum, Inc.

SPECIAL RESERVE LICENSE PLATES:

The plates may be combined with a request for a special reserved license plate. Under existing law, special state reserved plates contain three or fewer characters (letters and/or numbers), and cost an additional \$10. Of this money, the BMV retains \$7.50 to compensate for the additional services associated with issuing special reserved plates. The remaining \$2.50 is transmitted to the Treasurer of State for deposit in the Highway Operating Fund. Special reserved license plates contain more than three characters and cost an additional \$35. \$5 is retained by the BMV to compensate for additional services and the remaining \$30 is transmitted to the Treasurer of State for deposit in the Highway Operating Fund.

TERMINATION OF NONSTANDARD LICENSE PLATES (ORC Sec. 4503.77):

Under current law, nonstandard license plates must have sales of at least 1,000 annually (including new issues and/or renewals). If they do not, the Registrar will contact a sponsor or, if no sponsor exists, will issue a public notice to the effect that the plate will be terminated by the Registrar of Motor Vehicles if sales of less than 1,000 occur at the end of the calendar year that the notice is sent.

IMPACTS ON THE BMV AND LOCAL GOVERNMENTS:

It is difficult to estimate the number of Rock and Roll Hall of Fame plates that would be sold. Some special plates designs have far exceeded others in sales. For example, in calendar year 2000 the following special plate issuances and renewals occurred:

Calendar Year 2000 Sales of Special License Plates

Plate Type:	New Plates:	Renewed Plates:	Total Plates:
Lake Erie	6,825	43,116	49,941
Pro Football Hall of Fame	441	3,587	4,028
Scenic River	1,539	9,067	10,606

The BMV has determined that it takes an average of three years for individual special plates programs to be self-supporting.

Potentially increasing the costs for the Bureau of Motor Vehicles may impact total funds available for local governments. If enactment of HB 81 results in additional costs to the BMV, it is possible political subdivisions may receive fewer funds from the bureau when monthly redistributions of revenues occur. Any time a bill potentially impacts the BMV's 4W4 operating expense fund, local governments may also be impacted. Most collected local and state motor vehicle license taxes are deposited into a holding account within the Department of Public Safety. Monthly, an assessment of the 4W4 Fund occurs and funds are transferred from the holding account to the 4W4 Fund in order to cover monthly operating expenses for the BMV. Any remaining funds in the holding account are then forwarded to local governments to use for transportation related needs such as roads and bridges. As BMV's expenses or revenue sources increase or decrease, revenues available for redistribution to local governments may increase or decrease. HB 81 would appear to increase 4W4 fund costs therefore it is possible local governments may receive fewer revenues from monthly redistributions from the state. However, the impacts are estimated to be minimal if they were to occur.

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